



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 2, 2012

Via Facsimile and First Class Mail

Fax Number: (617) 235-9810

Joan A. Lukey, Esq.
Ropes & Gray LLP
One International Place
Boston, MA 02110-2624

RE: MUR 6454
Patricia D. Cornwell

Dear Ms. Lukey:

By letter dated April 12, 2010, Patricia D. Cornwell was notified that, in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission became aware of information suggesting that she may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). On April 24, 2012, the Commission found reason to believe that Ms. Cornwell violated 2 U.S.C. §§ 441a(a) and 441f. Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

In order to expedite the resolution of this matter, the Commission has authorized the Office of the General Counsel to enter into negotiations directed toward reaching a conciliation agreement prior to a determination by the Commission as to whether there is probable cause to believe that Ms. Cornwell violated the Act. Pre-probable cause conciliation is not mandated by the Act or the Commission's regulations, but is a voluntary step in the enforcement process that the Commission is offering Ms. Cornwell as a means to resolve this matter at an early stage.

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If Ms. Cornwell is interested in engaging in pre-probable cause conciliation, please contact Christine C. Gallagher, the attorney assigned to this matter, at (202) 694-1650 or (800) 424-9530, within seven days of receipt of this letter. During conciliation, you may submit any factual or legal materials that you believe are relevant to resolution of this matter. No action by the Commission or any person, and no information derived, in connection with any conciliation attempt by the Commission may be made public by the Commission without the written consent of the respondent and the Commission. 2 U.S.C. § 437g(a)(4)(B). The Commission may proceed to the next step in the enforcement process if Ms. Cornwell is not interested in pre-probable cause conciliation or a mutually acceptable conciliation agreement cannot be reached within 60 days. See 2 U.S.C. § 437g(a), 11 C.F.R. Part 111 (Subpart A). Please note that once the Commission initiates the next step in the enforcement process, it may decline to engage in further settlement discussions until after making a probable cause finding.

In the meantime, this matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

Please note that Ms. Cornwell has a legal obligation to preserve all documents, records and materials relating to this matter until notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519. You may submit a written request for relevant information gathered by the Commission in the course of its investigation of this matter. See Agency Procedure for Disclosure of Documents and Information in the Enforcement Process, 76 Fed. Reg. 34986 (June 15, 2011).

We look forward to your response.

On behalf of the Commission,



Caroline C. Hunter
Chair

Enclosures
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

Respondent: Patricia D. Cornwell

MUR 6454

I. INTRODUCTION

This matter was generated by the Federal Election Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission has found reason to believe Patricia D. Cornwell may have made excessive contributions and contributions in the names of other persons in violation of 2 U.S.C. §§ 441a(a) and 441f.

II. FACTUAL AND LEGAL ANALYSIS

A. Statement of Facts

1. Background

Anchin, Block & Anchin LLP ("Anchin") is an accounting and business management firm headquartered in New York. Between June 2007 and April 2008, its former principal, Evan H. Snapper, used funds of a former client, Patricia D. Cornwell, to reimburse contributions made through 21 conduits to three federal candidate committees, totalling \$62,100. The recipient committees were the Jim Gilmore for President and Senate Committees and the Hillary Clinton for President Committee.

In Cornwell's response to the Commission's notification, she asserts that she never instructed Snapper to make contributions to the Gilmore presidential and senate committees, did not authorize him to reimburse these contributions from her funds, and did not know he had done so. Cornwell Resp. at 9-10. As to the contributions to the Clinton presidential committee, Cornwell admits that she authorized Snapper to use her funds to reimburse her close family and friends for tickets they purchased to attend an Elton John concert, which was a fundraiser for the Committee. She contends, however, that she believed that "the activities that Anchin proposed

1 and carried-out were wholly legal and appropriate.” *Id.* at 7. She further claims that she was
2 unaware Snapper had “identified and recruited a number of additional individuals not known to
3 Cornwell” to purchase tickets that also were reimbursed with her funds. *Id.*

4 In addition to the matter before the Commission, the Department of Justice (“DOJ”)
5 initiated a grand jury investigation into the three alleged reimbursement schemes. On December
6 3, 2010, DOJ charged Snapper in a one-count criminal information filed in the United States
7 District Court for the District of Columbia in connection with the allegations. The information
8 alleged that Snapper knowingly and willfully caused the Clinton Presidential Committee to file
9 materially false reports with the Commission, a felony violation of 18 U.S.C. §§ 2, 1001.
10 Snapper entered a guilty plea on January 3, 2011, and on June 29, 2011, was sentenced to three
11 years probation, 90 days home confinement, 200 hours community service, and a \$3,000 criminal
12 fine. No other criminal charges were brought.

13 **2. The Anchin/Cornwell Business Relationship and Civil Lawsuit**

14 Cornwell is novelist who, from 2004 to 2009, was a client of Anchin. During that period,
15 Anchin provided her with various business services. Anchin Submission at 2. In addition to
16 preparing and filing Cornwell’s taxes, Anchin assisted her in locating, buying, and selling
17 personal and real property, made withdrawals from her bank accounts to pay most of her personal
18 expenses, and helped her to identify and retain other professionals to assist her as needed.

19 As a principal in Anchin’s Business Management Unit, Snapper supervised the “client

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1 services" side of the Cornwell account on behalf of the firm. *Id.*¹ Anchin and Cornwell had no
2 written contract memorializing the terms and conditions of Anchin's management obligations.
3 Supplemental Submission at 1-2. According to Cornwell, she gave Anchin power of attorney to
4 conduct the entirety of her financial affairs. Cornwell Resp. at 3. In civil litigation, Anchin
5 disputes the scope of the power of attorney, characterizing it as "limited." Anchin Supplemental
6 Submission at ABA/FEC 150 (Defendant Anchin's Answer to Third Amended Complaint ¶ 40,
7 *Cornwell Entm't Inc. v. Anchin, Block & Anchin, LLP*, 09-cv-1170fl (D. Mass. May 7, 2010)
8 ("Answer to Third Amended Complaint")). Cornwell further asserts that all of her income and
9 other earnings were routed directly to bank accounts under Anchin's control, and that Anchin
10 would draw on those accounts to pay her debts, including Anchin's fees and expenses. Cornwell
11 Resp. at 3.

12 Cornwell claims that Anchin did not provide her with monthly or periodic balance sheets,
13 cash flow reports, or other reports regarding her finances. *Id.* Anchin's Supplemental
14 Submission, however, contains quarterly and annual investment reports and billing statements
15 provided to Cornwell. Notably, these statements include a schedule of political and charitable
16 contributions that the firm made on Cornwell's behalf in 2006 and 2007, which reflect certain
17 reimbursements for the Gilmore contributions. Anchin Second Supplemental Submission at
18 ABA/FEC 544-49. The Anchin records also include copies of cash flow reports for March, April,
19 and September 2008, which identify certain disbursements made to reimburse the cost of tickets
20 to the 2008 Elton John Clinton fundraiser. *Id.* at ABA/FEC 631- 34, 637- 40.

21 Dissatisfied with Anchin's representation, Cornwell terminated her relationship with the

¹ Cornwell's finances were previously managed by Yohalem Gillman & Company LLP, where Snapper was a partner. Yohalem Gillman and Anchin eventually merged, and following the merger, Cornwell moved her account to Anchin. Cornwell Resp. at 2-3. Ira Yohalem became the head of the Business Management Unit at Anchin, and Snapper reported to Yohalem. Anchin Submission at 2 (July 9, 2010). Snapper was considered a "principal" rather than "partner" because he was not a certified public accountant; but he nonetheless was party to the partnership agreement.

1 firm effective August 31, 2009. Cornwell Response at Ex. 18 (Third Amended Complaint ¶ 23,
2 *Cornwell Entm't Inc.*, 09-cv-11708 (D. Mass. Apr. 14, 2010) ("Third Amended Complaint")).
3 Shortly thereafter, Cornwell filed suit against Anchin, seeking an accounting and restitution for
4 Anchin's alleged mismanagement and conversion of her personal and corporate funds. *See*
5 *generally Cornwell Entm't Inc.*, 09-cv-11708 (D. Mass. filed Oct. 13, 2009).²

6 **3. Reimbursed Contributions to Jim Gilmore's Presidential Campaign**

7 On June 12, 2007, Snapper and his wife each made individual contributions of \$2,300 to
8 the Jim Gilmore for President Committee. Anchin Submission at 5 & Ex. 2; MUR 6454; Factual
9 Basis for Plea ¶ 5, *United States v. Snapper*, 10-cr-0325 (D.D.C. Jan. 3, 2011) ("Snapper Factual
10 Basis"). To reimburse himself for the \$4,600 in contributions, on June 12, 2007, Snapper drew a
11 check from Cornwell's account in the amount of \$5,000 payable to cash. Submission at Ex. 2,
12 ABA/FEC 120. The memo line of the draft falsely indicated that the money was a Bat Mitzvah
13 gift to Snapper's daughter from Cornwell. Submission at 5.

14 Snapper and Cornwell present conflicting accounts of why Snapper contributed to
15 Gilmore's Presidential campaign. Cornwell acknowledges that Gilmore was a personal friend.
16 Cornwell Response at 8. She claims that she did not want to contribute to Gilmore's Presidential
17 campaign, however, because she supported Hillary Clinton for President. Cornwell Resp. at 9.
18 She acknowledges that she, nonetheless, informed Snapper that she would encourage others to
19 support Gilmore's campaign. *Id.* Cornwell further contends that, although she "expected that Mr.
20 Snapper might decide on his own to donate to Mr. Gilmore's campaign," she "never instructed

² After Cornwell learned that DOJ was conducting a criminal investigation into the alleged reimbursement schemes, she amended her complaint in the civil action to address the reimbursements. The amended allegations include claims that Anchin mishandled her political contributions, misinformed her regarding requirements relating to political contributions, and improperly reimbursed its own employees for political contributions from Cornwell's corporate and personal accounts without her knowledge. Cornwell Resp. at Ex. 18, ¶ 35(i). Anchin's answer in the civil suit denies each of those allegations. Anchin Supplemental Submission at ABA/FEC 149 (Answer to Third Amended Complaint ¶ 35).

1 Mr. Snapper to donate to Gilmore's presidential campaign, nor did she ever authorize him to
2 reimburse himself from her funds." *Id.*

3 Cornwell's deposition testimony taken in connection with the civil lawsuit is generally
4 consistent with her claims in her Response. In the deposition, she testified that she asked Snapper
5 to help Gilmore in his Presidential race, and that she told Snapper "... if you can do anything for
6 him, I hope you will." She further testified that she did not "have any idea whether [Snapper]
7 actually did or did not [contribute] in that particular race." Likewise, when asked if it were true
8 that she "asked Mr. Snapper to make a contribution to Mr. Gilmore in his name, and ...
9 authorized him to reimburse that contribution from [her] funds," Cornwell stated, "No. That is
10 not a fact. . . ." She went on to say, however, that although she did not recall "ever telling
11 [Snapper] . . . to reimburse himself for a contribution for him and his wife," even if she had, she
12 "would never have known that that was illegal. [Snapper] never said it was illegal. [Snapper]
13 never gave . . . any instruction about campaign laws that would say you cannot reimburse people
14 for concert tickets or that you can't reimburse people, period, for a contribution."

15 In sharp contrast, when deposed in the lawsuit, Snapper testified that, during a telephone
16 conversation, Cornwell asked him and his wife to make a contribution to the Gilmore presidential
17 campaign because she did not want to support Gilmore directly. Snapper further testified that a
18 few days after the contributions were made, he discussed with Cornwell by telephone the precise
19 manner in which the reimbursement would be made:

20 I said I was going to reimburse myself for the Gilmore contribution
21 for my wife and myself. I said in order -- I'm going to make it
22 payable to cash. I'm going to note it to my daughter's Bat Mitzvah.
23 I was in Bat Mitzvah mode. It was Saturday, her Bat Mitzvah. Ms.
24 Cornwell was kind enough to congratulate me, and said it was very
25 nice that Lydia was getting Bat Mitzvahed. I wrote the check out. I

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1 had Ira Yohalem sign the check. I didn't want to sign it personally.³
2 Snapper acknowledged in his testimony that no writing reflected
3 either that Cornwell specifically directed Snapper and his wife to
4 contribute or that she authorized Snapper to reimburse those
5 contributions with her funds.

6 **4. Reimbursed Contributions to Jim Gilmore's Senate Campaign**

7 Snapper and his wife made another round of contributions supporting Gilmore in
8 November 2007, this time to Gilmore's campaign for a seat in the United States Senate after
9 Gilmore had abandoned his presidential bid. Those Senate campaign contributions totalled
10 \$9,200, consisting of \$2,300 each to the primary and general elections. Anchin Submission at Ex.
11 2. Snapper signed the donor cards with instructions to charge the contributions to his credit card.
12 Anchin Second Supplemental Submission at ABA/FEC 581-82. He then reimbursed himself with
13 funds drawn from the Cornwell account under his control at Anchin. Anchin Submission at Ex. 2,
14 ABA/FEC 133-34, 136-38.

15 Cornwell acknowledges that, at least initially, she instructed Snapper and Laurie Fasinski,
16 a director in the Business Management Unit of Anchin who was Snapper's subordinate on the
17 Cornwell account, to facilitate making a contribution in Cornwell's name to the Senate campaign.
18 In an email on November 19, 2007, Cornwell forwarded Gilmore's Senate announcement to
19 Snapper and Fasinski and stated, "I will want to contribute to this. He is a good man and I don't
20 mind supporting him for senate for VA -- just didn't want to get involved in the presidential race,
21 as I'm for Hillary. So can you make the first contribution?" Cornwell Response at PC/FEC 0050.

³ Ira Yohalem, Snapper's supervisor, testified in his deposition that he signed the check without questioning its propriety: "I didn't spend any time analyzing why the check was made out to Evan or not. There was no memo attached to it. Evan had a relationship with Ms. Cornwell. I know his daughter was being Bat Mitzvahed, so I didn't think about who the check was made payable to, but I did know she was being Bat Mitzvahed, and that's what was written on the check, and that that was the purpose of it, so I signed the check." He further testified that he relied on Snapper's statement that it was a gift from Cornwell and on his prior experience regarding client gift-giving to partners' children.

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1 The same day Fasinski responded, "Ms. C., I will orchestrate." Anchin Submission at ABA/FEC
2 536.

3 A week later, on November 26, 2007, Anchin drafted a check in the amount of \$4,600
4 from Cornwell's account made payable to Jim Gilmore for Senate, and prepared a donor card to
5 the committee in her name, although it does not bear any signature. *Id.*, at ABA/FEC 605, 607.
6 Anchin did not send the check or donor card, however, as a result of a series of email and
7 apparent telephone exchanges on November 26 and 27, 2007, with Cornwell. Before the check
8 was issued, Cornwell states that she changed her mind about directly contributing to Gilmore's
9 Senate campaign. Cornwell Resp. at 9-10; *id.* at PC/FEC 0050.

10 During the evening of November 26, 2010, Fasinski emailed Cornwell a summary of the
11 2007 charitable and political contributions made from Cornwell's funds to date. The summary,
12 dated November 25, shows a 2007 contribution to Gilmore for \$4,600, but does not specify
13 whether the contribution related to the Presidential or Senate race. *See id.* at ABA/FEC 544-49.
14 Before responding to Fasinski's email, Cornwell apparently called her and left a message
15 regarding the contributions to Gilmore. Fasinski responded to the voice-mail message by email,
16 explaining, "Sorry as I am on the train and no privacy. If you get this before we talk, I am almost
17 positive the Gilmore checks are on Evan's desk for signature and have not been sent. I will pull
18 from the batch being processed." Anchin Second Supplemental Submission at ABA/FEC 550.
19 At approximately the same time, Cornwell emailed Fasinski asking, "Have we contributed yet? If
20 not. [sic] Let me know asap as I'm a bit concerned. Please hold off if money hasn't been sent.
21 I'm not sure this is going to be a good idea." *Id.* at ABA/FEC 178.⁴

⁴ The apparent voicemail message and email traffic about the Senate contribution appear to have occurred simultaneously. Indeed, after receiving Cornwell's email directing Fasinski to "hold off," Fasinski responded, "Ms. C. Please see my email just sent. Thank you." *Id.* at ABA/FEC 179.

1 A few hours after this exchange about the pending Senate contributions, Cornwell sent an
2 email to Fasinski concerning the contributions summary that identified a \$4,600 disbursement
3 from her accounts for Gilmore. In that email Cornwell stated, "Actually, I don't think Gilmore
4 showed up, did he, since that wasn't direct? (Ask Evan)." Cornwell's discussion of the \$4,600
5 contribution in the past tense in this email strongly suggests that Cornwell had in mind the
6 previous \$4,600 contribution to the *presidential* campaign, particularly since she and Fasinski had
7 just conferred separately about "holding off" on making the Senate contributions.

8 Early the following morning, November 27, 2007, Cornwell again emailed Fasinski and
9 asked that Snapper "handle this situation (Senate contribution) the same way he handled the
10 presidential one. Staci [Cornwell's spouse] and I can't have our names attached to this, but it's
11 fine to suggest others support him." Cornwell Resp. at PC/FEC 0057-58. At 6:38 a.m., Fasinski
12 responded, "I understand. I will take care of with Evan," Anchin Submission at ABA/FEC 552,
13 and at 7:30 a.m., Snapper followed suit, stating "Not a problem. I will handle." Cornwell Resp.
14 at PC/FEC 0058. Later that day, the Snappers made their \$9,200 contributions to the Gilmore for
15 Senate Committee. A paper copy of Cornwell's November 27, 2007, email to Fasinski contains
16 Fasinski's handwritten comment, "Did [E]van take care of," and Snapper's handwritten response,
17 "Done." Anchin Submission at ABA/FEC 177.

18 Cornwell relies on her early morning November 27, 2007, email with Fasinski asking that
19 Snapper "handle this situation (Senate contribution) the same way he handled the presidential
20 one" to support her position that she did not authorize the reimbursements for the Senate
21 contributions, but instead declined to make a contribution and intended only to encourage others
22 to support Gilmore in his campaign. Cornwell Resp. at 10. When asked during her deposition
23 what she meant by the statement in her earlier email to Fasinski, "Actually, I don't think Gilmore
24 showed up, did he, since that wasn't direct? (Ask Evan)," Cornwell explained that she decided not

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1 to support Gilmore for Senate after he informed her about his opposition to gay marriage. She
2 testified that she told Gilmore that she could not support him, but that she would "ask Evan, since
3 he's a Republican, if there's anything he can do for you or if he can get any of his friends to do
4 anything for you." She added:

5 So this was my indirect way of helping Jim Gilmore. . . . And then Evan and his
6 wife gave to Jim Gilmore, and I notified Jim and his wife . . . that Evan and his
7 wife had given to Jim. And so when I saw this in a financial statement or whatever
8 this thing was that I got, I was puzzled by it and I was asking Laurie, "I didn't give
9 directly to Jim, did I?" I was confused by it.

10 Cornwell's testimony about the email in relation to the Senate contributions, however, conflicts
11 with the timing of events surrounding those contributions and, particularly, the series of emails in
12 which Cornwell instructed Fasinski not to contribute directly to the Senate race and then
13 described the \$4,600 on the schedule in the past tense – indicating that she, at least, was referring
14 to Snapper's donations to the presidential campaign in June 2007.

15 Notably, Snapper likewise relies on Cornwell's early morning November 27, 2007, email
16 to Faskinski asking that Snapper "handle this situation (Senate contribution) the same way he
17 handled the presidential one" to support his position that Cornwell directed him to reimburse the
18 contributions to the Senate campaign. Snapper testified, "[S]he put it in writing to 'treat it the
19 same way as you did the presidential election.'"

20 Snapper further testified that Cornwell told Gilmore that his and his wife's contributions
21 would be coming from her, so Gilmore would know that she was supporting him without
22 "publicly disclosing" herself. During Snapper's deposition, Cornwell's counsel referred to an
23 email in which Cornwell informs Gilmore that "two good, loyal Republicans, Mr. and Mrs.
24 Snapper, have made a contribution" to his campaign. Snapper testified that he had not seen that
25 email before, but that Cornwell told him verbally that she let Gilmore know that he and his wife
26 had contributed.

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5. Reimbursed Contributions to the Clinton Presidential Committee

According to the Submission, Cornwell directed Snapper to reimburse \$48,300 in contributions to the 2008 presidential campaign committee of Hillary Clinton made through the purchase of 20 individual tickets to an Elton John fundraising concert. The face value of each ticket was the then-applicable \$2,300 contribution limit for an election cycle. The 20 conduits included Cornwell's relatives and friends, Anchin employees and their spouses, other Anchin associates, and Snapper himself. Anchin Submission at Ex. 1; Snapper Conciliation Agreement ¶16. Cornwell admits that she authorized reimbursements for tickets purchased by her family, friends, and Snapper and Fasinski, but contends she was unaware that other Anchin-related individuals were going to attend or be reimbursed from her funds. Cornwell Resp. at 6-8.

The record shows that Cornwell was aware that she had already met her federal contribution limit for the 2008 Clinton presidential campaign. A few months before Cornwell and Snapper learned that Elton John would be performing in concert to raise funds for Clinton, Cornwell had emailed Snapper concerning another Clinton fundraiser scheduled for January 24, 2008. Cornwell asked whether she and her spouse Staci Gruber could "make a contribution or are we maxxed [sic] out? If not, I'd want the max donation for this event, from each of us. (Doubt we'd go)." ABA/FEC186. Snapper responded, "I believe you are maxxed out. I will check if this counts toward your total." *Id.*

According to Snapper, he subsequently informed Cornwell that the federal contribution limits to candidates were \$4,600, or \$2,300 each for the primary and general election cycles, and that she and her partner had reached their contribution limits for Clinton's presidential campaign. See Snapper Conciliation Agreement ¶ 13. Cornwell then asked him to contact the committee to inquire whether she could otherwise assist in the campaign. Snapper testified that he called the campaign and informed a staffer that Cornwell wanted to be involved. The campaign

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1 subsequently sent Snapper an email announcing that, on April 9, 2008, Elton John would be
2 performing live in concert at Radio City Music Hall to support the Clinton Presidential campaign.

3 On March 17, 2008, Snapper forwarded the email to Cornwell. Cornwell contends that
4 she did not ask Snapper to do so. Cornwell Resp. at 5, PC/FEC 0001-0012. Initially, Cornwell
5 responded to Snapper expressing distress that she had not received the invitation herself, since she
6 had donated to Clinton previously. Anchin Submission at 235, 238. Unlike her prior email
7 correspondence regarding Clinton fundraising, she did not raise the question of contribution limits
8 in her reply.

9 In addition to her desire to assist Clinton in the Presidential race itself, Cornwell allegedly
10 had an additional motive for reimbursing contributions to this particular event: namely, the
11 prospect of receiving recognition from the Clintons and personal notoriety for becoming a
12 "Chair" of the event by raising \$50,000. Anchin Submission at 3. The invitation and donor cards
13 for the fundraiser solicited individuals to pledge to recruit other donors to provide total
14 contributions in varying levels; the highest "platinum" level was \$50,000. In return, individuals
15 who met the \$50,000 goal would receive prominent recognition in the event program as a "Chair"
16 of the event committee, would get premium seating, and an invitation to attend a reception after
17 the concert with Bill and Hillary Clinton and Sir Elton John. Cornwell Resp. at PC/FEC 0010-
18 0012; Anchin Submission at ABA/FEC 86-108. As Snapper testified:

19 . . . Patricia wanted to be a platinum sponsor at the Elton John
20 concert. She wanted to be involved with Hillary Clinton. She
21 wanted to make a difference because Hillary was losing to Obama.
22 She did not want to contribute to a PAC, which would have been a
23 lot easier and legal, because we had done this with Martha
24 Coakley. When we did it with Martina Coakley, they didn't thank
25 Patricia enough apparently. So she was against PACs because
26 there wasn't enough credit given. She asked me to contact the
27 Hillary campaign and let them know that she was interested in
28 helping find out what she could do to help the campaign. I did
29 that. I was then contacted by the campaign a few weeks after my

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1 initial contact with them and was told about the Elton John
2 concert, which I then forwarded to Patricia. And I also forwarded
3 her the thing about the platinum – whatever they call them –
4 sponsors, and that she would need to fundraise and get, I think, 22
5 people to get a platinum status and get her meeting with Hillary
6 and her name on the program and all of that.

7 Cornwell maintains, however, that she was unaware that she and her spouse would be listed as
8 Chairs of the event on the program, and that they did not even attend the event because of a
9 scheduling conflict. Cornwell Resp. at 7.

10 As further evidence of her lack of knowledge concerning campaign finance restrictions,
11 Cornwell notes that she suggested to Snapper that she could purchase a large block of tickets, then
12 simply donate them back to the campaign to be resold. Snapper then informed her in an email
13 that doing so was prohibited by federal campaign regulations. Cornwell Resp. at 6; Anchin
14 Submission at ABA/FEC 225; Snapper Conciliation Agreement ¶ 14. On this point, Snapper
15 testified:

16 A: She said, let me think about it. Then, she sent me an email that she
17 wanted to buy 50 tickets and give them out to her friends. Then I called
18 her and explained to her that she couldn't do that. She's already maxed
19 out, that what she needs to do is find other people to become a fundraiser,
20 and if she can find 21 people to buy these tickets, that's what we needed
21 to do, that she was already at the maximum.

22
23 Q: And what did she say?

24
25 A: She said, Okay. Let's see who we can get, and then I can reimburse
26 them. So let's get 20 people, and then I will reimburse them for the
27 tickets.

28
29 Q: What did you say?

30
31 A: I said, that's probably not a great idea, but we both understood
32 clearly what the rules were. And she made it sound that -- you know,
33 everyone does this, and just get it done, and I need to take the lead.

34
35 Q: Who needs to take the lead, you?

36
37 A: I need to take the lead, yes, and make sure all this smooths through.

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1
2 Q: So you knew this conduct was illegal?

3
4 A: As did Ms. Cornwell.

5 Snapper further testified:

6 Q. Did you say to Ms. Cornwell, this conduct is illegal?

7
8 A. In those words? No.

9
10 Q. Now, when she asked you to get tickets, did you understand that she
11 believed that this was something different from campaign contributions?

12
13 A. No. Because I explained to her when she wanted to buy the 50
14 tickets that it was campaign contributions.

15 Cornwell states that Snapper suggested that if Cornwell were to identify members of her
16 family and friends who might want to attend the concert, Anchin could obtain tickets for them.

17 Cornwell Resp. at 6. Snapper testified, however, that this idea came from Cornwell. According
18 to Snapper, Cornwell secured a total of nine family members and friends who were willing to
19 purchase tickets for the Elton John concert with the understanding that they would be reimbursed
20 with her funds.⁵ Cornwell directed them to contact Snapper to handle the details of purchasing
21 tickets and obtaining reimbursement. *See* Snapper Factual Basis for Plea ¶ 15.

22 According to the Response, at some point, Fasinski "informed Ms. Cornwell that Anchin
23 could arrange for others to attend the Elton John concert, with the tickets being ultimately paid for
24 by Ms. Cornwell." Cornwell Resp. at 6. Cornwell states that Fasinski informed her that Anchin
25 had done this for other clients on previous occasions. *Id.* Anchin denies that Fasinski told
26 Cornwell that Anchin had reimbursed contributions for other clients, or that it is aware of any
27 previous occasions when Anchin clients reimbursed conduit contributions through Anchin

⁵ Specifically, Cornwell allegedly obtained the agreement of three members of her family, as well as six members of the family of one of Cornwell's friends. The remaining 11 conduits used in the Clinton-related scheme were all recruited by Snapper.

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1 accounts. Anchin Supplemental Submission at 4; *see also* Anchin Submission at 7.⁶ Further,
2 during her deposition in the lawsuit, Fasinski testified that she had no recollection of “Cornwell
3 asking . . . whether it was okay to buy multiple tickets” or of Fasinski allegedly responding, “yes,
4 as long as you were discrete about it.”

5 Cornwell admits that she was aware that she was reimbursing the cost of the concert ticket
6 contributions attributed to her family and friends. *See* Cornwell Resp. at 6-8. Among other
7 things, Snapper forwarded to Cornwell an email message from one of Cornwell’s friends, who
8 purchased six tickets in the names of members of her family, that stated, “As far as repaying us,
9 my American Express bill isn’t due until May 15 and how ever [*sic*] you want to handle that will
10 be fine by us.” Anchin Supplemental Submission at ABA/FEC 249. Fasinski also informed
11 Cornwell on March 20 and 31, 2008, that she and Snapper were working to obtain tickets to the
12 concert for Cornwell’s friends. Cornwell Resp. at PC/FEC 0024, 0026-27. In response, Cornwell
13 wrote, “Thanks!” and “Excellent!” *Id.* at PC/FEC 0024, 0026.

14 Ultimately, Snapper secured 22 concert tickets at a cost of \$2,300 each (the maximum
15 contribution limit for individuals). Snapper reimbursed the cost of all but one of them (the ticket
16 purchased in the name of Snapper’s wife) from Cornwell’s accounts. Anchin Submission at Ex.
17 1. Snapper testified that he expected Cornwell to provide a list of additional people whom he
18 would be required to reimburse to reach the \$50,000 threshold for Cornwell to become an event
19 Chair, but that Cornwell did not provide any additional contributors. Consequently, it was left to
20 him, within two or three days of the concert, to recruit additional conduits to reach that status. He
21 approached Anchin employees, their spouses, and other individuals associated with Anchin to buy
22 tickets, on the understanding they would be reimbursed with Cornwell’s funds.

⁶ No documentation memorializes the alleged conversation between Cornwell and Fasinski, and no counsel inquired about the alleged statements during Fasinski’s deposition.

1 Cornwell maintains that she was unaware that Snapper was recruiting a large group of
2 Anchin employees and associates to attend the concert at her expense. Cornwell Resp. at 7. The
3 available information, however, indicates that Cornwell knew that some Anchin personnel and
4 perhaps others would attend and be reimbursed from her funds. On April 7, 2008, Fasinski asked
5 Cornwell by email how Cornwell wanted to handle the extra concert tickets. Cornwell replied
6 that Fasinski should offer the extra tickets to Cornwell's friends first, but not to "take back those
7 you've promised to yourselves and others" and "the rest you and Evan can use, as planned."
8 Anchin Second Supplemental Submission at ABA/FEC 258. Fasinski responded, "thank you
9 again for giving me and Evan the opportunity to go." *Id.* at ABA/FEC 268.

10 Cornwell also knew that she received credit from the Clinton campaign for raising the
11 funds associated with the reimbursed tickets. The day after the concert, Snapper, Fasinski, and
12 Yohalem sent e-mails to Cornwell explaining as much. *Id.* at ABA/FEC 295, 301, and 306.
13 Specifically, Snapper offered his thanks to Cornwell for letting him "represent" her at the concert,
14 and stated that his seats were in the center of the front row, that he met "Bill and Hillary" after the
15 concert, and that "Hillary couldn't thank you enough for the help you gave the campaign in
16 raising all the money last night. I have a copy of last night [sic] program and you and Staci are
17 list [sic] directly under Elton John as nre: of the Chairs of the event." *Id.* at ABA/FEC 301 and
18 297. Yohalem also thanked Cornwell for her "generosity," and told her that "[w]hile you
19 received prominent mention, you were missed by all of us." *Id.* at ABA/FEC 306. Finally,
20 Fasinski stated that "those that went on with the tickets that you gave were beyond excited" and
21 that Hillary Clinton told her after the concert, "Patricia has been amazing and has raised so much
22 money for me!!!!" *Id.* at ABA/FEC 295.

23 Similarly, after the event Hillary Clinton wished to reach Cornwell by telephone to thank
24 her personally. *Id.* at ABA/FEC 301. Cornwell provided the campaign with the best times and

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1 phone numbers to reach her. Although that contact did not occur, Clinton left a voicemail
2 message on Cornwell's phone expressing her gratitude. Cornwell Resp. at PC/FEC 0015-16;
3 Anchin Second Supplemental Submission at ABA/FEC 308.

4 Snapper reimbursed the concert ticket contributions from Cornwell's accounts. To
5 conceal the fact of the reimbursements, he paid the donors in a combination of cash and checks,
6 paid credit card companies directly, and misstated the purpose of the payments in the accounting
7 records that Anchin maintained for Cornwell's bank accounts.⁷

8 Cash flow reports that Anchin prepared for Cornwell for March and April 2008 reflected
9 disbursements not only to the friends and family members that she personally enlisted as conduits,
10 but also the reimbursement to Yohalem's wife; a disbursement for \$4,500 to a credit account in
11 the name of a spouse of an Anchin employee who attended the event; disbursements identified in
12 part as "reimbursed motorcycle expense" payable to Cornwell's brother and nephew; and two
13 disbursements of \$7,000 to Cornwell's friends who purchased six tickets at Cornwell's personal
14 request. Anchin Second Supplemental Submission at ABA/FEC 637-40, 694. Many of those
15 records reflect false information concerning the purpose for the disbursements. *Id.*

16 Snapper contends that, although he was aware of the illegality of the reimbursement
17 scheme, Cornwell also knew it violated the law:

18 A. I was complicit with my client. I definitely had fault in the matter, but it was
19 not my idea. I was not a Hillary Clinton supporter. And, actually, Ms. Cornwell

⁷ For example, Snapper provided Yohalem and his wife a check made out in the wife's name, with the statement "design services" on the internal accounts payable invoice and check stub maintained by Anchin. The face of the check did not include any notation concerning its purpose. Anchin Submission at ABA/FEC at 124; Anchin Second Supplemental Submission at ABA/FEC 625 and 700. Snapper testified that this deception was Yohalem's idea. Yohalem denied it, testifying that he did not see any notation on the check itself. Similarly, Anchin's internal accounting records reflected a disbursement to another conduit for "Elton John Tickets," but later Snapper had it altered so that it merely would state "reimbursement." Anchin Submission at ABA/FEC 121-23. Snapper testified that he also directed Anchin personnel to code certain reimbursements from Cornwell's account as "non-deductible entertainment." Also to disguise the reimbursements, Snapper instructed Anchin clerical personnel to reduce the amount of certain reimbursements so that they would not be identical to the contribution limit at the time, then withdrew cash from Cornwell's account to cover the rest of the reimbursement.

1 thought it was hilarious that my name would be — have a Hillary donation. She
2 said. “Oh, won't that be funny, you are going to be listed as a Hillary donator.”
3 That was a big joke.
4

5 Q. So while you admit some fault, you contend that Ms. Cornwell initiated the
6 scheme; is that right?
7

8 A: That is right.
9

10 Q. And that she directed to bundle these contributions and get reimbursed?
11

12 A. That's correct, yes.

13 Snapper further testified that there is no writing reflecting the conversations between him and
14 Cornwell regarding the reimbursements because he knew the scheme was illegal and he wanted to
15 “protect” his client (and, consequently, himself).

16 While Cornwell admits she knew she was reimbursing at least the nine tickets purchased
17 by her friends and family and the two tickets Snapper and Fasinski purchased, she maintains that
18 she was unaware that the ticket purchases constituted contributions subject to federal campaign
19 finance limits. Cornwell Resp. at 2, 8. In support, Cornwell relies on an email she sent to one of
20 her friends where she stated that for the Elton John concert, “unlike other political fundraisers,
21 there isn't a limit to what you can donate.” *Id.* at PC/FEC 0020. Cornwell further stated that
22 Snapper never instructed her that campaign laws provided that reimbursements for concert tickets
23 or contributions were prohibited. Cornwell Resp. at 2, 6-8. Nonetheless, as noted, an email
24 shows that Snapper did inform Cornwell that her initial plan to purchase and return a block of
25 tickets to the concert was prohibited by campaign finance laws.

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B. Legal Analysis

1. Clinton Presidential Committee Contributions

The Act provides that “no person shall make a contribution in the name of another person.” 2 U.S.C. § 441f. In addition, during the relevant time period, the Act provided that individuals could not contribute more than \$2,300 to any candidate with respect to any election. 2 U.S.C. § 441a(a).

It is undisputed that funds belonging to Ms. Cornwell were used to reimburse \$62,100 in contributions made in the name of others to federal political campaign committees. With respect to the \$48,300 in contributions to the Clinton presidential effort, it is also undisputed that Cornwell knew that her funds would be used to reimburse at least nine \$2,300 tickets for her family and friends, at a cost of \$20,700. Contemporaneous emails also reflect that Cornwell told Fasinski not to “take back those you’ve promised to yourselves and others” and “the rest you and Evan can use, as planned.” Second Supplemental Submission at ABA/FEC 258. Thus, Cornwell knew at least that Snapper and Fasinski would be reimbursed for tickets, along with possibly additional tickets – those promised to “others” and “the rest” of the tickets. Cornwell admits that she knew she had “maxed out” her contribution limit for that particular campaign prior to the reimbursements. In addition, information reflecting reimbursements of some of the contributions appeared in cash flow reports prepared for Cornwell by Anchin (some of which quite plainly falsely described the basis for the disbursement, as Cornwell likely would have recognized had she reviewed them). See ABA/FEC 631-34; 637-40. Cornwell maintains that she did not realize that paying for the concert tickets constituted illegal activity. However, she admitted in her response that Snapper told her that, in view of her having maxed out to the Clinton campaign, buying tickets and donating them back to the campaign violated federal campaign laws. Cornwell Response at 5-6. Moreover, Anchin personnel made clear in their “thank you” emails that

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1 Cornwell received recognition from the Clinton campaign for raising money *for the campaign*.
2 Cornwell Response at 5, PC/FEC 0001; *see also* Anchin Submission at ABA/FEC 77-78, 80;
3 Anchin Second Supplemental Submission at ABA/FEC 295, 301, 306. This strongly indicates
4 that Cornwell knew she was involved in fundraising at the same time she knew that she was the
5 source of the funds raised for the event in the names of the putative ticket purchasers.

6 Moreover, Ms. Cornwell was an experienced contributor. During the 2007-2008 election
7 cycle alone, when the conduit contributions occurred, she contributed an additional \$68,500 to
8 candidates and political parties.⁸ Prior to 2007, she made an aggregate of \$57,000 in
9 contributions to multiple candidates and party committees, and an \$80,000 contribution exempt
10 from federal limits to the Republican National State Elections Committee.⁹ Documentation
11 submitted by Anchin shows that she took the initiative in instructing Anchin to make several
12 political contributions on her behalf, and even made appearances for some candidates she
13 supported. *See, e.g.*, Second Supplemental Submission at ABA/FEC 297, 376, 544-49, 944.
14 Snapper testified that Cornwell "was more involved in campaigns than most clients I have."

15 Therefore, there is reason to believe that Patricia D. Cornwell violated Sections 441f and
16 441a(a) by making contributions in the name of another and by making excessive contributions to
17 the Clinton Presidential Campaign. However, the Commission is not making knowing and
18 willful findings based on the available evidence that Cornwell did not recognize that the Act's
19 contribution limits applied to the conduct and her apparent reliance on Snapper regarding these
20 matters.

⁸ According to disclosure reports, from 2007 through 2008, Cornwell made contributions to the Democratic National Committee, Friends of Hillary, Hillary Clinton for President, the Niki Tsongas Committee, and the Obama Victory Fund.

⁹ According to disclosure reports, from 1998 through 2000, Cornwell made contributions to Friends of George Allen, Friends of Hillary, Senator John Warner Committee, Orrin Hatch Presidential Exploratory Committee Inc., Republican National Committee, and Robb for the Senate.

1 The Act addresses violations of law that are knowing and willful. 2 U.S.C.
2 §§ 437g(a)(5)(B) and 437g(d). The phrase "knowing and willful" indicates that "actions [were]
3 taken with full knowledge of all of the facts and a recognition that the action is prohibited by
4 law." 122 Cong. Rec. H3778 (daily ed. May 3, 1976). The knowing and willful standard requires
5 knowledge that one is violating the law. *Federal Election Commission v. John A. Dramesi for*
6 *Congress Committee*, 640 F. Supp. 985 (D.N.J. 1986). A knowing and willful violation may be
7 established "by proof that the defendant acted deliberately and with knowledge that the
8 representation was false." *United States v. Hopkins*, 916 F.2d 207, 214 (5th Cir. 1990). In
9 *Hopkins*, the court found that the defendant officers "knew that corporations could not make
10 political contributions" and that an inference of a knowing and willful violation could be drawn
11 "from the defendants' elaborate scheme for disguising their corporate political contributions" as
12 individual contributions, and that they "deliberately conveyed information they knew to be false
13 to the Federal Election Commission." *Id.* at 214-15. The court also found that the evidence did
14 not have to show that a defendant "had specific knowledge of the regulations" or "conclusively
15 demonstrate" a defendant's "state of mind," if there were "facts and circumstances from which
16 the jury reasonably could infer that [a defendant] knew her conduct was unauthorized and
17 illegal." *Id.* at 213 (quoting *United States v. Bordelon*, 871 F.2d 491, 494 (5th Cir. 1989)).

18 While the available information shows that Cornwell knew that she had "maxed out" her
19 contribution to Clinton's presidential campaign, that she was reimbursing numerous concert
20 tickets for a fundraiser, and that she was receiving recognition from the campaign for her
21 fundraising efforts, her claim that she did not know she was violating the law receives some
22 support from her email stating that she thought the concert fundraiser had no contribution limits.
23 See Cornwell Resp. at PC/FEC at 0020-0021 ("... unlike other political fund raisers [*sic*], there
24 isn't a limit to what you can donate"). While it is unclear why Cornwell had the mistaken belief

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1 that the concert had no contribution limits, she appeared not to recognize that the Act's
2 contribution limits did apply. In addition, Snapper admitted that he did not explicitly advise her
3 that reimbursing the concert tickets was illegal, and she may have relied on Snapper's
4 acquiescence and participation in the reimbursement scheme as some indication of its lawfulness.
5 See Cornwell Resp. at 6-7 (Cornwell claims that she believed that "the activities that Anchin
6 proposed and carried-out were wholly legal and appropriate"); *see also, e.g.*, MUR 6504
7 (Gardner) (Commission made a non-knowing and willful finding regarding respondents who
8 admitted reimbursing contributions but denied knowing their conduct was illegal because there
9 was insufficient evidence to demonstrate that the conduct was otherwise knowing and willful).

10 2. Gilmore Contributions

11 As to the Gilmore contributions, Snapper testified that Cornwell asked him to make the
12 contributions in his and his wife's names to the presidential campaign, and that he specifically
13 told her he would disguise the reimbursement as a gift to his daughter. In her Response,
14 Cornwell denied that she knew Snapper had contributed or that he had used her funds to
15 reimburse those contributions.

16 Quite apart from Snapper's testimony, the documentary submissions in this matter provide
17 persuasive evidence that Cornwell likely knew she had reimbursed the Snappers' \$4,600
18 contribution to Gilmore's presidential campaign. In response to her review of the Anahin
19 schedule that identified a \$4,600 contribution from her funds to Gilmore, Cornwell sent an email
20 to Fasinski on November 26, 2007, stating: "Actually, I don't think Gilmore showed up, did he,
21 since that wasn't direct? (Ask Evan)." At that time, the only \$4,600 contribution to Gilmore was
22 the contribution of Snapper and his wife for the presidential race reimbursed by her funds; and
23 Cornwell had just asked Fasinski to hold off on sending the senate contribution. Indeed, even if
24 the schedule had been drafted with the forthcoming Senate contribution in mind, the relevant fact

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1 is the effect the schedule had on Cornwell's state of mind, and there can be little doubt that
2 Cornwell's response reflects her belief that the schedule referenced a past, completed
3 disbursement, *i.e.*, the one that the Snappers had made to Gilmore's prior presidential campaign,
4 which had been reimbursed with Cornwell's funds. Had Cornwell intended to say that she had
5 not made a contribution to Gilmore, it is difficult to believe she would not have said so directly,
6 rather than to describe the Gilmore contribution as one that would not "show up" because it
7 "wasn't direct[.] (Ask Evan)." Given the timing of that comment, and that she confuses both the
8 statement and the Anchin schedule as related to Gilmore's senate campaign, the Commission does
9 not find her explanation persuasive, particularly not at the reason-to-believe stage.

10 Snapper also testified that Cornwell authorized him to reimburse his and his wife's
11 contributions to the senate campaign. The same email exchange on November 26 and 27, 2007,
12 between Cornwell and Fasinski presents compelling evidence of her knowledge—and
13 authorization—of the reimbursements. Indeed, it is the progression of these communications that
14 perhaps most clearly tends to demonstrate that she understood she was going to reimburse
15 Snapper's contributions to the senate campaign. After first informing Snapper and Fasinski that
16 she wished to support the Gilmore for Senate Campaign Committee, she changed her mind when
17 she received the schedule of her 2007 contributions listing a \$4,600 payment to Gilmore. With
18 her email of the previous evening ("Actually, I don't think Gilmore showed up, did he, since that
19 wasn't direct? (Ask Evan)") fresh in mind, early the next morning she told Fasinski: "What would
20 be best is if Evan can handle this situation (Senate contribution) the same way he handled the
21 presidential one. Staci and I can't have our names attached to this, but it's fine to suggest that
22 others support him. He's a good person." Cornwell's language is again telling. She does not say
23 that she no longer wishes to support Gilmore or contribute to his campaign, or that she would
24 appreciate it if Snapper would make a contribution. Rather, she directs Fasinski and, thus,

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1 Snapper, to "handle this situation (Senate contribution) the same way he handled the presidential
2 one," and states why: she and her partner "can't have our names attached to this." This exchange
3 not only tends to prove that Cornwell knew how Snapper handled the presidential contribution,
4 but also that her intent was to conceal her name by making the contribution in the name of
5 another. Cornwell adopted similar language during her deposition, testifying that she could not
6 "openly and directly" support Gilmore's campaign for the Senate. In addition, although the
7 Gilmore contributions preceded the Clinton contributions, her acknowledgement that she
8 knowingly reimbursed friends and family in the Clinton situation supports an inference that she
9 previously may have agreed to reimburse the contributions to her friend, Gilmore, who she had
10 reason not to support "directly."

11 Therefore, there is reason to believe that Patricia D. Cornwell violated 2 U.S.C. §§ 441a(a)
12 and 441f by making excessive contributions to the 2008 Gilmore for President and Senate
13 Committees in the names of others. Given Cornwell's testimony that she was not aware that
14 reimbursing the contributions Snapper made to the Gilmore campaigns would violate the law, and
15 in light of Snapper's admission that he never explicitly informed her about the legal restrictions
16 and absence of additional evidence to that effect, the Commission is not making knowing and
17 willful findings as to the reimbursed Gilmore contributions.

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